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INTRODUCTORY LECTURE
ON
POLITICAL ECONOMY;

AND
SYLLABUS OF A COURSE OF LECTURES ON
THE WAGES OF LABOR.



£.

AN
INTRODUCTORY LECTURE
ON
POLITICAL ECONOMY,

DELIVERED AT
KING'S COLLEGE, LONDON,
27TH FEBRUARY, 1833.

TO WHICH IS ADDED
A SYLLABUS OF A COURSE OF LECTURES ON
THE WAGES OF LABOR,

TO BE
DELIVERED AT KING'S COLLEGE, LONDON, IN THE
MONTH OF APRIL, 1833.

BY THE
REV. R. JONES, M.A.,
PROFESSOR OF POLITICAL ECONOMY, AT KING'S COLLEGE.



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MR. PRINCIPAL and GENTLEMEN ;

As the beginning of my duties here, I have to lay before you some views of the objects, methods, and uses belonging to the branch of human knowledge intrusted to my care. I shall, probably, in what I have now to say, confine myself principally to the first of these topics, the objects of political economy : the kind and extent of the knowledge to which it introduces us. These once distinctly seen, the methods by which such knowledge must be attained, and the uses to which it may be applied, will want no long explanation.

I have another reason for thus at once directing your attention, in an especial manner, to this part of the subject before me. It is a point on which considerable error prevails. Too many persons look upon political economy as a study connected exclusively with trade and finance. Such views of the subject are very imperfect. They lead to many errors ; and to errors which are the more to be regretted, because they have had considerable influence in staying the progress of knowledge ; by

narrowing the field of view of many who have cultivated the subject as original inquirers; and damping the curiosity of many, who have been repelled from it by mistaken and inadequate notions of its objects.

Let us see together then, Gentlemen, if you please, what the branch of knowledge before us may be expected to teach, if we follow it up fairly and fully.

Political economy has for its subject matter *the wealth of nations*. Knowledge on such a subject is, of course, desirable only so far as it may enable us to understand circumstances which affect the happiness and well-being of ourselves, or our fellow-men. We have to consider public wealth, therefore, in all the points of view in which it can affect the interests and happiness of mankind; and to observe men, under all the points of view in which, either as individuals or communities, they can affect, or be affected by, the progress of public wealth. When first glanced at, the subject, no doubt, seems vast and vague; but let us approach, and steadily contemplate it for a moment, and we shall see it breaking into masses and divisions of a sufficiently manageable form and size.

To assist us here, we must begin, by placing some limit to our researches. That limit will necessarily be arbitrary: but fixing such a limit with discretion, we cannot reasonably be found fault with on that score.

Wealth, in its proper and popular acceptation includes many objects which refuse themselves to scientific arrangement and analysis, of the kind we want to institute. While discussing public wealth, therefore, we will, if you please, confine ourselves to the portion of that wealth which consists of *such material objects as are appropriated by man before they are consumed*. That this limitation may not be the source of cavil or delusion, you will be good enough to bear in mind that it is, and is meant to be, purely arbitrary: that in establishing it I profess to convey no knowledge, except the knowledge of what I mean hereafter to treat of, and what to exclude. There may, for aught I know, be persons capable of giving a scientific form and character to such knowledge as they can obtain about portions of wealth, which this limitation excludes from my researches. Assuredly I should find no fault with such an undertaking, whatever I may think of its promise: all I wish at present to do is, to give warning, that I have no intention of embarking in it myself.

Our knowledge as to public wealth (in the restricted sense in which I shall hereafter use the term) may be primarily divided into two great branches. First, the laws which regulate the production of wealth; and secondly, the laws which regulate its distribution. Under one or the other of these, the various subdivisions of the subject may be conveniently placed.

My present aim then is to show, what are the

kinds of knowledge, to which an acquaintance with these branches of political economy necessarily introduces us. I hope, while doing this, to convince you, that the mistake is a gross one, which supposes that our subject can be useful only to the financier or politician, while they are regulating trade, or to those interested in such regulations. I expect you will agree with me in deciding, that, fairly treated, it comprehends instruction essential, first, to the scholar, who would trace the deep-seated causes of long chains of events in the history of nations : next, to the philosopher, when attempting to observe the connection which subsists between the physical constitution of the world, and the moral government and character of the inhabitants of our earth ; then, to the statesman, whose task requires him to understand and measure the relative strength, energies and resources, either of other countries, or of the different divisions of the empire he may help to govern ; and, finally, to every member of a free state, who has active duties to perform, whatever be his station or province. And I expect to show you, too, that the instruction which our subject thus conveys to all these persons is not such as they may, or may not profit by, at their pleasure, but such as they must master and use, or remain in a state of ignorance, unworthy of the scholar and philosopher, and fatal to the usefulness and safety of the statesman, and the citizen.

But before I attempt to give a rapid sketch of

the objects revealed by the whole subject, it may be convenient to point out how it has happened, that the doctrines connected with Trade, and more especially with foreign trade, occupied for many ages a disproportionate share of the attention of those who professed to be treating of Public Wealth. This order of inquiry would be a bad one, were it my purpose to begin now a scientific developement of the whole subject: but it will be found, perhaps, to answer very well the purpose of leading us gradually into sight of the objects, which should really be uppermost in the minds of those, who approach political economy as an essential branch of a liberal and comprehensive education.

The errors and wanderings of our forefathers which I am about to exhibit, are indeed mainly remarkable, for having long kept almost wholly out of sight the proper objects of our peculiar study; that is, you will remember, the laws which regulate the production and distribution of wealth. Bullion, we know, was long thought by all the European nations to be the only species of wealth which really deserved the name. Countries which could not produce gold and silver profitably from their mines, could only procure them by foreign trade: to manage foreign trade, so as to keep gold and silver constantly flowing in, and then to keep them fast, were therefore supposed to be the only arts by which nations could be enriched; and thus men's minds, whenever they talked or thought about

an increase of the nation's wealth, were turned not to production, but to trade.

To draw then to this "noble realm" at least its fair share of the world's stock of gold and silver, two systems prevailed, at different periods of our story; but although these systems had this common object, they differed much in their means, their working and effects, and ought never to be confounded; although they are confounded very generally, under the name of the mercantile system, which only made its appearance late, and did not last for a century. The older system prevailed, probably from the conquest, certainly from the reign of Edward I. to that of Henry VII.; and it is the more interesting, because while it domineered over, and indeed well nigh strangled, the infant commerce of England, it was after all, I suspect, but a transcript of the laws and regulations of several of the continental nations. Its various parts may be accurately traced in our statute-book and ancient documents; but as a systematic whole it has, I think, escaped the notice of our historians: which is to be lamented, for it offers much instruction, some of which would not be at all out of place at the present day. Our remote forefathers, Gentlemen, were not great abstract reasoners, nor very patient investigators of phenomena; but they had very decided notions about political economy, for all that. A study of their system would, perhaps, be the best remedy for the

errors of those who have been misled into believing, that the absence of systematic thinkers, and talkers, and books, upon such topics, is a sort of safeguard against the spirit of system, and the best guarantee against the rule of theory. Our earlier ancestors, then, had this in common with the supporters of the system of "the balance of trade," which afterwards became dominant under Charles II. : they believed that to supply the nation with gold and silver was the main duty of those charged with the interests of the commonwealth; and they assumed that this was to be done through their management of foreign commerce: but they were by no means satisfied with indirectly influencing the general trade, and the domestic consumption of the country, so as on the whole to produce a favourable ultimate balance; which was what the authors and supporters of the mercantile system aimed at. The politicians of the older day went vigorously to work in a much more direct and straightforward manner. They laid it down as their principle, that every individual bargain in foreign trade ought, if possible, to be made to help their purpose, of attracting some portion of bullion or foreign coin; and when this could not be contrived, then they assumed it to be their office to see, that every such bargain was so effectually watched and controlled, as to ensure its not leading, directly or indirectly, to the exportation of money. Their system may be called, therefore, if we wish to give it a name, the *balance of*

bargain system. To carry its principles into effect its supporters devised a comprehensive body of strong measures, by which they confined our commerce to particular spots, fettered navigation, and contrived to be present at every bargain made by our merchants abroad: they, and they alone, negotiated, and on their own terms, every bill of exchange; and when merchant strangers landed here in England, they immediately put them under watch and ward, and superintended and controlled both their persons, and every single transaction in their dealings. And they did all this, and much more than this, by the aid of a code of penal enactments, ferocious, bloody and unsparing; which they considered it a point of public virtue not to relax, and to which the interests, property and lives of both natives and aliens were daily sacrificed; with the full approbation of the legislature, and forward assent of the nation.

About the time of Henry VII., however, parts of the system became unmanageable; and during the reign of his son, (although still in legal existence) it had become clogged, helpless, and utterly unable to work, because changes had taken place in our domestic position, and in the commercial habits of England and of Europe, to which the ancient regulations could not, by any zeal, or any efforts, be adapted.

Gentlemen, this was the subject of sore lamentation during the whole of the long reign of Elizabeth, and most of that of the first James. Our

vernacular literature, then beginning to be popular and strong, helped to swell the wailing cry of the people, for the restoration of the iron bulwarks, with which the care of their ancestors had fenced in the wealth of the realm: in the absence of which they were constantly haunted by a fear, that the riches of the country were insensibly escaping, and that ruin was at hand.

But, if the press lent its young strength to support an error, it soon entered on its better province, and suggested wiser things. Before James died, new and sounder views may be discerned advancing towards ascendancy. And when the civil wars were over, and Charles II. was restored, we find the expedients of the old system formally examined, weighed, and found wanting, in the posthumous work (then first published) of a leading merchant; who had himself, under James, advocated the restoration of some of the most violent and obnoxious of the old regulations. From the publication of that work, the reign of the "mercantile system," the system of "the balance of trade," may be dated*; and at its first instalment it was far from illiberal. Its aim, indeed, was still to draw in gold and silver, as the only mode of enriching the country; but the leading principle of the new system was, that individual transactions (even in bullion) were to be left free; that all attempts to

* When here, or elsewhere, I speak of the date of a system of opinions, I mean the date of its establishment as the guide of public measures, not of its first appearance in our literature.

control them were futile or mischievous, and that national wealth, meaning our stock of the precious metals, was to be secured and increased, only by so acting on the general course of the foreign trade, and on the internal consumption of the country, as indirectly to secure a favorable balance. The aim itself we now know to be unwise, but all the harsher features of the system were added during its subsequent working.

You perceive then, Gentlemen, that for near six centuries of our history, however different the means adopted, still the so managing foreign trade, as to make it add to the national stock of gold and silver, was the only recognized mode of adding to the wealth of a people who possessed no mines; and you will not wonder that for this long time at least, political economy and commercial legislation seemed one and the same thing.

About the middle of the last century, however, a change came over the minds of men: it was perceived and acknowledged here and abroad, that a nation's wealth was not identical with its stock of precious metals; and that to increase the commodities which gold and silver are employed to purchase, is at least as effective a method of making a people rich, as to increase gold and silver themselves*.

* It has been mentioned to me, by a gentleman who heard this lecture, and whose opinions I respect, that I ought here to have done justice to the preeminent merits of Adam Smith. I should have done so with pleasure; but it would have been repeating myself. It is a task which I cheerfully performed as well as I could, in the Preface to my work "On the Distribution of Wealth."

Now, then, at least it might be expected, that the attention of all thinkers on such matters would be mainly directed to the productive powers of nations, to the fruitfulness of their land and labour, and to the obstacles or aids, which impede or increase that fruitfulness. Still, however, it happened, that commercial transactions attracted more than their share of attention. About them, a conflict as to practical measures immediately began. The English economical writers, in particular, were earnest to effect, as the very first result of their new views, important alterations in the mercantile system of their country. Doubts, fears, private interests, public prejudices, raised and animated a host of opponents, and a war of opinions began. Gentlemen, you well know that that war is not yet ended; that strong opinions as to the expediency of great alterations in our commercial regulations and policy, and bitter apprehensions of the tendency of those alterations, still attract much anxious and agitated interest; and that political economy is still looked upon by many, in no other light than as the source of the danger or the good, which they dread or hope for, from the establishment of free trade, or the maintenance of old regulations. On such discussions, I have no purpose now to enter. They will come in their place; and then it will not be difficult to show, in what manner, and to what extent, the knowledge conveyed by this part of our subject may mingle with and assist the

practical views of the statesman, without casting him into either an unfeeling innovator or a giddy theorist.

My aim so far has only been to show how it happened, that while professing to treat of the production and distribution of the wealth of nations the attention of thinkers and of the public has been so exclusively fixed on commerce and on the processes by which one kind of wealth is bartered for another. What I wish next to do, is to point out to you, that it is not with such things alone that our subject is conversant, that there remains for those who would efficiently investigate the laws which regulate the production and distribution of wealth, other and wider fields of research : the explaining which, is an animating and useful task, connecting itself throughout with human aims and feelings of the loftiest character ; a task which educated persons in a commonwealth of freemen cannot neglect, without lessening the usefulness of their exertions and their character.

Of the two leading divisions of political economy, *Production* and *Distribution*, it will be convenient, for our present purpose, to consider distribution in the first instance. Production must, of course, practically precede distribution : but although some wealth must be produced, before any can be distributed, yet the forms and modes of distributing the produce of their lands and labour adopted in the

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early stages of a people's progress, exercise an influence over the character and habits of communities, which can be traced for ages; which in many cases is never effaced: and this influence must be understood, and allowed for, before we can adequately explain existing differences in the productive powers and operations of different nations. It might seem, at first, that it would be difficult to trace and class the various modes of distributing their revenues, which different nations may be led to adopt. It is not so, however; caprice and variety have in this instance their empire bounded, by the condition of man on earth, by his wants as an animal, by the modes in which alone those wants can be supplied. The first wants of mankind are food and raiment; but these can only be obtained from the earth; and after a certain time, by labour bestowed upon the earth. Here the constitution of the globe we inhabit begins to act upon men as members of society, and to establish foundations for the distribution of their wealth and for their social institutions. For it has been so ordained, that the earth, in ordinary circumstances, yields to the labours of the cultivator more than is sufficient for his subsistence and that of his family. How then is the surplus food to be consumed? It must be by another description of persons: hence arises a separation of society into classes; and the mode in which the distribution of this surplus takes place; the nature of the class which consumes it, is the first and most influential cause of the future character

and habits of the community. This is no time for pursuing that early distribution hypothetically into all its possible forms ; there is one, great, prominent, and comprehensive, a survey of which will teach us to trace the next steps in the generation of nine-tenths of the political communities of the earth, including our own.

Labour, continuously bestowed upon the soil, supposes property in the soil to be established ; and, among rude nations, this requires some powerful hand to sanction and maintain it. From this and other causes, which we cannot now stay our course to analyze, property in the soil almost universally rests, at one time of a people's career, either in the general government, or in persons deriving their interest from it. Into the hands of these owners most, if not all, of the surplus produce of the cultivator is paid as a rent, a tribute for the privilege of cultivating the spot, from which the peasant raises his own subsistence. Here then we have two distinct classes, standing in a certain relation to each other. One of the main ties has made its appearance, which practically bind together different ranks in all the regions of the world. But the existence of this second class, the landowners, or the landowner, for there may be but one, calls at once a third class into existence. Rents must substantially consist of raw produce, the proprietor can consume but a part ; the remainder can be used only in supporting human beings ; directly or indirectly, therefore, his revenue must maintain another division of

the people; and thus we have at once menials, retainers, and artizans consuming their portion of the surplus produce of the land, and forming a new element in the social structure; their place in which is determined by their dependence on the source of their maintenance.

Here let us pause; we have already before us the primary distribution, which has served, in the great majority of instances, to establish the first rude frame work of political society. We see wealth, and the mode of its distribution, assuming an active influence in creating the ties which bind the body politic together, and determine, by their form and complication, its character, and often its resources. The influence of this early conformation of nations fades away slowly. It may be traced always for ages in their history. It rarely disappears before them. If we turn to the Asiatic monarchies, we see the surplus from the soil finding its way from the dawn of history, into the hands of the sovereign, or his officers; and a great part of it distributed by them among the non-agricultural population. The condition and the relations of the cultivators, the artizans, the government and its officers, have continued the same for ages, during which their monotonous likeness fatigues observation. While the primary distribution of their revenues continues the same, their social features cannot much change. In the east of Europe, Russia, Hungary, Poland, other relations subsist between the bondsmen, who are the cultivators, and the nobility who are there

the proprietors; and also between that nobility and the non-agricultural classes. These relations present to us another state of society, which for centuries has impressed with an iron hand the character of states and people. It is yielding slowly and obstinately, to the united efforts of the monarchs and the nobles; and we may predict, that till different forms and modes of distributing the national revenue have superseded the old ones, all hope of rapid change in the character of their population, or in the power and resources of the community, will prove delusive.

Even when we travel westward and observe the more advanced European nations, there is not one of which the habits, institutions, and economical constitution, does not still present features in which we can distinctly trace the effects of that early conformation of which we are speaking, that is, the social conformation which results from the peculiar mode of distributing the produce of their land and labor, established in the early period of the existence of agricultural nations.

But we see changes constantly, affecting this economical conformation, and the institutions and forms of society it gives birth to. In many instances these changes are slow and almost insensible; in others they are more active. It is time to turn to their sources, and to the causes which regulate their progress. The great agent in all these changes, in the configuration of society, the moving power from which they proceed, is *capital*; and

with the sources and functions of this powerful agent political economy brings us acquainted, when unfolding the knowledge contained in the other great division of our subject—the causes which regulate the *production* of wealth.

But here, Gentlemen, I must detain your attention for an instant on a word. By capital then, let me beg you to remember, that I mean “accumulated wealth employed with a view to profit,” and only such wealth. The word is sometimes used in a much wider sense ; with what propriety I shall not now discuss. Let me assure you, however, that in tracing the economical progress, or in analysing the respective productive powers of different nations, you will find the distinct division of wealth here pointed out, acting a most important part in modifying the ties which connect the different classes of the community, and in determining their productive power. Under some name or other, therefore, it will be essential both to the distinctness of your views, and the comprehensiveness of your knowledge, that you should keep this portion of a nation’s wealth separate in your minds. You will be good enough to recollect, then, that I use the word capital for this purpose.

In looking at the different nations of the world, we find them assisting the industry of their actual population, by very different quantities of such accumulated wealth. Thus the capital of England, in proportion to its population, is at least double that of France ; the capital of France much

greater than that of Spain, and so on, as we descend in the scale of nations. One consequence of this difference is, that we see capital performing in some countries functions which are performed by revenue in others. It assumes no function for the first time without causing some change in the productive operations of a community, and in the relations between its different classes; but I wish you to observe with me now, only the change effected when capital assumes the function of advancing the wages of the labouring classes.

In Asia, and in part of Europe, (it was formerly the case throughout Europe,) the non-agricultural classes are almost wholly maintained from the incomes of the other classes; principally from the incomes of the landholders. If you want the labour of an artizan, you provide him with materials; he comes to your house, you feed and pay him his wages. After a time, the capitalist steps in, he provides the materials, he advances the wages of the workman, he becomes his employer, and he is the owner of the article produced, which he exchanges for your money. Now this change cannot take place without some alteration in the management and productiveness of labour: but when the change has become general, another and a most important change has also taken place, and that is, a change in the ties which connect the different classes of society. An intermediate class appears between the landowners and a portion of the non-agriculturists, upon which intermediate class, these

non-agriculturists are dependent for employment and subsistence. The ties which formerly bound the community together are worn out and fall to pieces; other bonds, other principles of cohesion connect its different classes: new economical relations spring into being, fresh and potent political elements mingle in the national system, and the tracing the gradual introduction and the effects of these is one of the most important tasks of political economy, when unfolding the causes which regulate the production or the distribution of the revenues of the different people of the earth.

After surveying the different steps and stages of the changes I have been speaking of, we shall see at once that England is much in advance of other nations. I do not by this phrase mean to take it for granted, that her position is better than theirs, but only to point out that, in arriving at our present position, we have passed through, and gone beyond those, at which we see other nations stationary, or through which we see them moving. Here capital has assumed all the functions of which it is capable, in aiding a production, or facilitating exchange. Not only is the great body of non-agriculturists almost wholly in the pay of capitalists, but even the labouring cultivators of the soil (which is a rare case) are their servants too. The numbers and divisions of the intermediate class which subsists on the profits of stock have multiplied beyond all precedent; and this complete dependence of the labourers on capitalists for

employment, and the powers and influence of these intermediate classes, have produced new social materials and political elements, on a scale which the world has never before known. There are persons among us, and of no mean rank in the intellectual world, who, gazing upon this spectacle, are unwilling to quit it; who think that English political economists may allowably consider the state of things about them, if not as a picture of the condition of the world, yet as a pattern towards which the institutions and economical habits of other nations are approaching with a quicker or a slower motion; who believe that while we study our own economical elements and conformation, and those only; if we do not get a knowledge of the phenomena which the rest of the people of the earth present to the philosopher as his materials, we shall at least get a knowledge of a state of things, which will one day be theirs and is destined to be universal.

Gentlemen, I cannot join in these views. Our inquiries and reasonings about the future progress and condition of communities of men must, if they are to have any practical character, be confined to the advance and fortunes of nations, during periods somewhat like those, which the history of the past, and our knowledge of men's natures teach us, are likely to bound the duration of empires, and people, and states of civilization. During such periods I see no great chance of the world collectively being any thing different from what it has been and is. The approach to a state of society like our

own, where it can be perceived, is, in many instances, extremely slow ; in others it would be rash to affirm that there is any such approach at all. Over many of the people of the earth some spell seems to have been breathed, which fixes them in their condition, and forbids the forward progress which has led us so far away from them. While some are thus stationary, and others changing their economical elements by gradations so minute, that it must take ages before any distinct change becomes prominent ; the actual condition of the world during those coming ages is surely an object of great interest to the citizen of the world, the statesman, and the philosopher. The future of all other people will, however, at some time, be like our present. Be it so : the prophecy is bold ; but still the interest we have in the future, however great, can be but a subordinate interest after all. The past is our own to be schooled by, the present to act in ; and the economical researches which explain the story of the past, and make visible the actual condition of our own and other nations, are full to us of the instruction which it is most our business to prize and use.

We must study, therefore, the economy of nations in the past and present story of the world at large ; and to conduct that study efficiently, we must make ourselves thoroughly acquainted with what I shall now proceed to call "the economical structure of nations," because, after the views I have laid before you, I hope to be understood when I say that, by the economical structure of nations, I mean those

relations between the different classes which are established in the first instance by the institution of property in the soil, and by the distribution of its surplus produce ; afterwards modified and changed (to a greater or less extent) by the introduction of capitalists, as agents in producing and exchanging wealth, and in feeding and employing the labouring population.

An accurate knowledge of that structure can alone give us the key to the past fortunes of the different people of the earth, by displaying their economical anatomy, and showing thus, the most deeply-seated sources of their strength, the elements of their institutions, and causes of their habits and character. It is thus we must learn the circumstances which divide them into classes, establish or change the ties which connect those classes, and the value and influence of each, as component parts of a state or agents in producing its wealth.

We see then, I hope, that the laws which regulate the Production and Distribution of Wealth thus viewed, have abundance of human interest and philosophical dignity. We view wealth no longer as a mass of dead matter : nor do we treat its principal divisions, rent, wages, or profits, merely as data in arithmetical calculations ; but tracing the shifting forms of society, as far as they are influenced by changing habits of production, or modes of distribution, we survey a nation's riches always in close connexion with the progress and fortunes of the human race ; with alterations in the

political elements of nations, and in the capacities and opportunities of all orders of the people for improvement, independence, and happiness.

There is no part of ancient or of modern story on which a comprehensive knowledge of differences and changes in the economical structure of nations will not throw some clear and steady light. It is from such knowledge we must learn to understand the secret wonders of ancient Egypt, the power of her monarchs, the magnificence of her monuments; the military strength with which Greece repulsed the easily renewed myriads of the great king; the young might, the long feebleness of Rome; the fitful strength of the feudal states; the more steady power of the modern nations of Europe; their separate character; the moral and political capacities and story of the different orders of men under all these forms of dominion. And so far is it from being true, that such knowledge is alien to the proper pursuits of the political economist, that it is impossible for him fully to follow up and explain the causes which determine the amount of wealth produced, and the modes of its distribution in different states of human society, without attaining and using such knowledge.

But we must devote a few words to two of the most important subdivisions of political economy, population and finance; and when I turn to population, it is my first duty, and it is a pleasing one, to remind you that we have still living among us, in the full vigour of his faculties, the distinguished

philosopher, to whom we owe all our really scientific knowledge on this subject. You will perceive, of course, that I allude to Mr. Malthus; and I am the more forward to perform this duty, because it may be my lot sometimes to offer what I think corrections of the views of that really eminent man; to supply some omissions; to express, occasionally, differences or shades of difference in our conclusions; perhaps now and then to combat a few of his positions altogether. I shall do this with the freedom due to truth, and with the deference I feel to be due to him; but knowing that such a task may occasionally await me, I seize this early opportunity of declaring my sense of grateful obligation for the knowledge I have reaped from his writings. My testimony to his ability or rank, as a philosophical writer, would be presumptuous. On these points, the world has decided, and has decided justly; but it may not be out of place to remind you of this fact, (which sometimes haste, and sometimes prompt but erring feeling, has obscured from the view of too many,) that when the works of Mr. Malthus are well understood, and thoroughly weighed, there is seen to prevail in them, as their constant and unfailing characteristic, a spirit of pure benevolence, of unceasing love for his fellow men; a desire, which will not be repulsed or wearied by calumny or perverseness, to promote all such measures as may best conduce to the happiness and elevation of the mass of our countrymen and of mankind.

On this branch of our subject it has been esta-

blished then, that men have an animal power of increase, which, fully exerted, must soon people the earth up to the utmost limit of its capacity to yield food; and that the effects of this power may press hard upon the efforts of a people to provide subsistence, long before the productiveness of the earth which they till, has reached its term. It is an obvious fact, that in every existing human community, many causes do and must combine, first, to control the instincts of men and to repress the full exertion of their powers of increase; and next, (should that power be over-exerted,) to reduce their numbers to the level of the subsistence they can obtain. This once seen, an explanation of the causes which so act, a knowledge of the circumstances which strengthen either the desirable or the noxious means of repression, leads at once to economical and moral views of great interest and importance.

We are presented, first, with a multitude of economical problems. The circumstances which determine the rate of increase of a people, affect, permanently and essentially, the state of the great bulk of the population of most of the countries of the earth. But here we find ourselves approaching a yet more serious task. Political economy in this department groups and explains phenomena, which are essential guides in some of the most important researches of the natural philosopher, and the natural theologian. It is our business here to trace the manner in which the physical constitution of man, combined with that of the earth which he inhabits, acts on the hap-

piness and moral character of individuals and of nations. Scanning thus the adaptation of the material laws of the universe to our nature, and so their action on the fortunes of the human race, we catch necessarily important views of that machinery, through which is carried on the moral government of the rational inhabitants of the earth, in their individual and social capacities, by Him who made the earth and them.

But we have further to regard this subject of population, minutely and anxiously, in combination with sound and comprehensive views of that economical structure of nations, the nature of which I have already endeavoured to explain to you. In following up the circumstances which determine the distribution of the revenues of a people, and the position and relations of the productive classes among them, we shall find ourselves in sight of the peculiar economical causes which act upon the habits, and so influence the rate of increase, of peasant cultivators, artisans, menials, agricultural day-labourers, (as we see them existing here,) and other classes; and having traced the position of each of these in the different communities of which they respectively form important portions, we shall find many political causes springing out of their economical position, but exercising their own peculiar influence over the habits of the people, through their civil rights, their capacities, duties, aims and feelings as members of the state. We shall then rise to the

observation of certain moral and intellectual peculiarities, closely and indissolubly connected however with these economical and political circumstances, and dependent on them ; which moral and intellectual peculiarities make up the tale, the complement, of the causes which jointly determine the different habits of nations under different forms of economical structure.

It is only by thus unthreading the tangled chain, by which men, through the minute and multiplied peculiarities of their position, are wedded to their habits, or stimulated to improvement and elevation, or goaded to debasement,—that we can decide or reason upon the practical results of the principle of population in any country of the earth.

The next subdivision of Political Economy to which I must briefly direct your attention, is finance ; and there is no branch of our subject which, properly followed up, is more abundant in instruction, sheds a clearer light upon the past history of the world, or exhibits more distinctly the causes of the different political strength of existing nations. But, Gentlemen, once again, we must thoroughly master the economical structure of different nations, before we can understand the systems of taxation which can be made productive in each.

Since this subject first attracted the attention of modern writers, many strenuous and extremely ingenious attempts have been made to prove that some portions, (different portions by different writers,) but that some portions of the revenues of a country,

must necessarily slip away from, and at last escape, all taxation; and that all public burthens, in the long run, must rest upon some one distinct and limited part of the national income. All discussions on finance, in the hands of these reasoners, only tended to show the way and steps, by which taxes, apparently imposed upon one set of individuals, were shaken off and shifted, till they rested at last upon that limited class of revenues, which was honoured with the burthensome privilege of being alone productive to the state. Some formidable plans have been generated by this class of speculators, for at once placing all the public burthens on these devoted shoulders, as the cheapest system of finance which would avoid the accumulated expenses incurred during all the shifting and changing we have been speaking of. The burthen-bearers have, however, never been very grateful for the proposed distinction. They have altogether declined to take the public taxes openly and directly on their backs. And it has, no doubt, been extremely lucky for the state, as well as for themselves, that they have been so magnanimously steady in refusing the proffered honour and advantage.

The speculations and plans of the French Economists were mainly of this kind. The idea was, however, first started in England, and it has occasionally been taken up again here, with variations of course. The name and character of some writers, past and present, of this class, will prevent my speaking lightly of them or of their systems; but

I cannot now stop to examine them at length ; and I must for the present dogmatize a little, and declare, that all these notions about untaxable classes of men, or revenues, are utterly delusive. Taxes are not always paid by those on whom they are imposed ; their ultimate incidence (to use a convenient phrase) is not always the same as their apparent incidence ; but still there is no one class of society, whatever be its condition or employment, which cannot be made to bear its share of the public burthens. The exact share which each class does bear, in proportion to the gross income of the class, differs widely with changes in the state of society ;— in the economical structure of nations ; and the determining the financial fruitfulness of different classes in the different stages of a nation's progress, is a problem of the most important kind. Its results are instructive in a moral and political, not less than in an economical point of view.

On these results, however, I cannot dwell at any length. The great lesson is the importance, in all stages, of the bulk of the nation, of what are called the inferior classes. We may take for examples Russia and England. It is not too much to say, that (without adverting to the progress of the higher and intermediate classes) if the labouring classes of the Russian empire could be put on a level with the average body of English labourers ; if their consumption could be made as great and similar, then the financial resources, the annual public revenue of Russia, and her political strength and influence,

would be increased much more than they would be by the conquest of another empire as large and populous as her own, and in the same condition, though such an empire would form a considerable portion of the world.

We have a case nearer home, not very pleasant to contemplate. Let us turn to Ireland, and, while we pronounce the gunpowder name, dismiss for a moment, if we can, political feelings from our minds. There are economical points of view, in which all parties may surely contemplate the state of Ireland with profit. It may be shown, that could her peasant population be placed in such a position, that their consumption equalled that of an equal number of English labourers, the direct addition to our public revenue would be greater than the whole sum, which that revenue receives from all our colonies and foreign possessions put together; though these almost girdle the globe, and contain more than one hundred millions of inhabitants. There is no country in Europe to which an analysis of the condition of its population would not show like results; we may hope that one day such calculations will be familiar to all nations. They will be the most eloquent of monitors to peace and good government.

Gentlemen, I have pointed out to you some objects of leading interest, with which we become familiar, while gaining a knowledge of the laws that regulate the production and distribution of wealth. I have been able to do this of course but

briefly and imperfectly ; and my time warns me that I must now say a few words as to the methods by which that knowledge must be arrived at. They shall be but few, for I could not dwell long upon this point, without becoming, what I much dislike being here, somewhat polemical.

If we wish to make ourselves acquainted with the economy and arrangements by which the different nations of the earth produce or distribute their revenues, I really know but of one way to attain our object, and that is to look and see. We must get comprehensive views of facts, that we may arrive at principles which are truly comprehensive. If we take a different method, if we snatch at general principles, and content ourselves with confined observations, two things will happen to us. First : what we call general principles will often be found to have no generality : we shall set out with declaring propositions to be universally true, which, at every step of our further progress, we shall be obliged to confess are frequently false ; and, secondly, we shall miss a great mass of useful knowledge, which those who advance to principles by a comprehensive examination of facts, necessarily meet with on their road. If we want to understand the subjects of wages or rent for instance, and take the trouble to observe how the various nations of the earth employ and pay their labourers or distribute to the landowners their share of the produce of the soil, we shall necessarily gain much information in our progress. We shall see what causes determine

the condition of the bulk of the people of the many nations of the earth : the varied ties which connect them with their superiors : the distinct political elements which arise out of this mutual connexion ; and all this surely is knowledge well worth gaining : independently of the ultimate reward of our researches, the grasping those simple and commanding truths, which really apply to wages and rents under all their shapes and varieties.

And, Gentlemen, if we will not take this trouble ; if we will be closet philosophers, take a peep out of our little window, and fashion a world of our own after the pattern of what we see thence, however ingenious and clever we may be, we run a great risk of being sadly mistaken, and are sure to remain extremely ignorant.

Supposing, however, that we determine to know as much as we can of the world as it has been, and of the world as it is, before we lay down general laws as to the economical habits and fortunes of mankind or of classes of men : there are open to us two sources of knowledge,—history and statistics, the story of the past, and a detail of the present condition of the nations of the earth. From these alone the teacher of political economy can draw the information and the knowledge which it is his duty to arrange, that he may present them to the student. Each source has its defects, and each its peculiar powers of diffusing light, which would be sought in vain from the other. In observing the long trains of events recorded by history, we detect

the immediate and remote effects of the economical structures we are analysing. But history has suffered to drop from her pages, perhaps has never recorded, much of the information which would now be most precious to us. For many whole classes of facts, necessary to illustrate principles of which the importance has only lately become known, we should toil through her pages in vain. Yet this defect does not always exist when we think it does. The compiler and the student are sometimes more to blame than the original historian. The labours of Niebuhr, Savigny, Heeren, Müller, have proved that there is much knowledge, most important to our subject, in historical records, which has faded from the minds of men, and must be laboriously recovered from the recesses of neglected literature, like lost and sunken riches from the secret depths of the ocean. Our own scholars and antiquaries will not, we may hope, be backward in imitating them ; and the historical documents, both of our own and foreign countries, contain, we may well believe, large and unknown stores of economical instruction,—many a heap of unsunned treasure, to reward their researches.

Statistics, unlike history, presents all the facts essential to our reasonings in inexhaustible detail and abundance ; but leaves us to speculate upon causes, and to guess at effects as we can. It is not pleasant to reflect how little has been done in England to systematize statistical inquiries, or to preserve and spread the information which

statistics can give us. In this respect, as in many others, the cultivators of physical science have set a brilliant and useful example. There is hardly a department in their province which has not the advantage of being pursued by societies of men animated by a common object, and collecting and recording facts under the guidance of philosophical views. We may hope surely, that mankind and their concerns will soon attract interest enough to receive similar attention; and that a statistical society will be added to the number of those which are advancing the scientific knowledge of England.

Gentlemen, before I conclude, let me slightly notice one or two remarks, which may probably occur to some of those who hear me.

While speaking of the causes which determine the economical position of the different nations of the world, I have pointed to men as affected by the unexpended influence of circumstances, which have occurred far back in story. While tracing changes in the economical structure of nations, we see large divisions of mankind, of which the character and habits are fashioned and fixed, by the position in which they have been placed by past events. We observe amidst the progress of change, the manner in which the economical structure of one age affects the education, the habits, the character, the powers of the next; and while generation succeeds generation, we see nations slowly developing the institutions which mark their actual character.

There is something in this spectacle which is distasteful to the impatience of young minds: they dislike to feel their individual helplessness and insignificance; they struggle against a conviction that they, and those around them, have been placed where they are, and are still carried on, by a current of events too powerful for their mastery; they would fain make their powers felt; they would write with their finger on the forehead of the age; and give an impulse of their own to the mighty tide of human affairs. There is something in these feelings too generous to be rebuked; something which it is painful to find arrayed against our subject. Let me then remind these young patriots, that if political economists are the last persons who will pretend to teach them how to liberate themselves and others from the influence which the past exercises over the present, yet we can find full scope for their most generous views and aims.

In tracing the manner in which their economical position influences the station and character of the various classes of mankind, the most cheering portion of our task is the observation of the steps and means by which the populous mass of human beings may be and is, during the progress of civilization, gradually and safely brought to share in the intellectual elevation, in all the civil rights and duties, which, before civilization has diffused her influence, are confined (where they exist at all) to limited numbers,—to a superior caste in society.

We can trace the bondman, the serf, and all the most degraded vassals of harsh power, gradually changing their economical position, and while the sources and modes of gaining their subsistence alter, enlarging at the same time their rights, and approaching nearer to the level of the higher classes of society. We display too this progress, always in connexion with a truth, not less beautiful as a moral, than valuable as a political lesson ; namely, that with increased civil privileges and capacities, increased intellectual and moral elevation must go hand in hand ; or the progress of improvement must be stayed, and advances in it rendered nugatory or worse.

The fact, that in the political progress of nations there is an inseparable connexion between increased freedom and increased responsibilities ; that freedom, in short, is a blessing which, from the very constitution of men and of society, none can long enjoy who do not deserve it, is a truth which, vaguely seen by others, shines out in all its evidence and detail to the political economist, who, tracing changes in the modes of producing and distributing wealth, observes step by step the alterations which take place in the connexions, mutual dependence, and all the cementing influences that hold together those human materials of which states are composed. We observe, first, the coarse and harsh bonds which preserve subordination and connexion among rude nations ; then the more delicate ties ; the more refined relations ; the gentler influ-

ences; which, as these coarser bonds disappear, succeed to their office, form new principles of cohesion, and become agents through which are still upholden order and justice, the essential foundations of permanent constitutional liberty; a blessing which, as it escapes the weak, will not long remain the heritage of the violent and bad. Lessons like these, in which political economy is fruitful, may, we hope, restore to it the good-will of some who are too much inclined to look upon us suspiciously and from a distance, as persons who can have no sympathy with any of the nobler aims of men or nations.

I can foresee other objections to some of the views I have laid before you. Some persons may perhaps be startled and offended by the connexion I have pointed out between political economy and the political elements out of which governments are formed, and by which they must be maintained. Gentlemen, this feeling is to some extent excusable; because it has been the boast, sometimes the ignorant, sometimes the timid and fearful boast, of many political economists here and abroad, that their subject has no connexion with such matters. The causes of this shrinking and ill-placed timidity it would not be difficult to point out, had we time to enter upon the literary history of our subject; but though we have no time for that, the question itself is easily disposed of. A teacher of political economy has first to examine the phenomena presented by the condition of different nations, that he may ground

his principles securely. This is the analytical or investigating portion of his labour. Then he must be prepared to show how these principles may be used to account for the exact condition of any particular class in any given nation. This is part of the practical application of his subject to human affairs. If he neglects either branch of his labour, he performs his office imperfectly. Now these processes necessarily bring him into sight of the mutual relations and influences of different orders of men as determined by different modes of producing and distributing public wealth. No one can deny the importance to the statesman of such knowledge. No one can deny that it forms a part of political economy, who is not prepared also to deny that political economy is the study which teaches the laws that regulate the distribution and production of wealth. Our subject is thus brought into immediate contact with the philosophy of legislation; but still the line which distinguishes them is sufficiently obvious. However decided our convictions as individuals may be, yet, as political economists, we do not decide upon, we do not even discuss, the merits of particular constitutions or forms of government, considered abstractedly; but we show the lawgiver what materials he will find, in nations having different economical structure, for framing, maintaining, and keeping in action any particular form of government; what are the data from which he must reckon; what are the instruments on which he can rely; when he is creating systems, and laying

down rules and regulations which must be put in action by human agents, exercising political authority and influence over each other. It is not our province to praise or blame this or that form of government, or code of laws; but to show in what cases the establishment of each is or is not possible; why institutions and laws which endure and flourish under one state of economical conformation, wither and die away when transplanted where society does not present the proper materials to give them life and support. Our subject then is, to a great extent, the mother science on which the philosophy of constitutional legislation rests; as does in a great measure the philosophy of jurisprudence. The law-giver who would frame codes and institutions without such knowledge as we present, may be an eloquent dreamer, but can never be a practical statesman.

There are still, however, some, who have a dislike to all such topics, whether connected with political economy or not, who think, that there is much false and dangerous political philosophy current in the world; and that therefore all such discussions are more or less perilous. Gentlemen, we may be allowed to smile at these fears. If imperfect knowledge and light show us the world and our fellow men, and their institutions, in false and distorted shapes; the remedy is, not to shut out the day, but to get better philosophy and more light—that light which proceeds from knowledge, and which in an

institution like this, it is at once our duty and our pride to labour to diffuse.

Gentlemen, we shall never forget in this place, I hope, the eloquent words of that father of our church who first invoked a blessing upon our undertaking; he told us, that it was "the design of those who founded this college to erect the shrines of science and of literature within the precincts of the sanctuary;" and I trust we, humble instruments for effecting such high purposes, shall ever be the more strenuous and the more fearless in our efforts, from feeling that such light as man laboriously earns by the exercise of the faculties which God has given him, directed towards such knowledge as he has been made capable of attaining, is indeed light from heaven; and that every ray which illumines the inquiring mind, in its progress towards truth, carries with it evidence of the presence and power of the Deity.

While we are animated by such feelings and such aims, it would be a most idle fear which should suppose, that the train of research I have been sketching, must needs connect itself with the party wrangles and animosities of the day. Assuredly, Gentlemen, we shall teach no politics here. It would be a want of discretion, indeed of honesty, to beguile young minds, yet immature in knowledge and in strength, into hastily forming opinions now, which it will be a solemn part of their duties in future life to endeavour to form justly and rightly. The last thing we should wish to see them

do, is to assume in their young days the livery of any political sect. But there are public duties common to men of all parties, which it is our province to train our pupils to approach, in a fit state of preparation. We must not, I trust we cannot, forget, that among the foremost of the earthly blessings we enjoy, is that of being members of a community of freemen. It is a privilege that brings with it duties as well as advantages. No Englishman, and emphatically no Englishman of the educated classes, can fulfil the obligations of his station, without having frequently to propose, to deliberate upon, or to judge of, measures intimately connected with our subject, and not less intimately with the happiness and welfare of his countrymen.

Now it is to enable him to perform these high duties with knowledge and forethought, carefully, honestly, and manfully, that we have undertaken here to investigate and teach all those branches of human knowledge which may help to throw light upon his path, and so contribute towards that, which one of the greatest of our great men has described as "a complete and generous education;" the education which fits a man to perform "justly, skilfully, and magnanimously," all the offices, both public and private, which his country can demand from him.

Gentlemen, I have attempted to point out to you some of the objects, the methods, and uses of political economy; to show that it yields knowledge which throws a distinct light of its own upon the

past history of nations, upon their actual condition, their relative strength, resources, and capacities for political institutions ; upon many subjects, indeed, on which neither the scholar, the philosopher, nor the statesman, can remain even in partial ignorance with impunity. Such a sketch is necessarily imperfect ; but the hour warns me that my task for the present has ended.

SYLLABUS OF A COURSE OF LECTURES

ON THE

WAGES OF LABOR.*

WAGES, Rents, and Profits, form three great primary groups, into which the revenues of mankind have been divided by political economists. Each of these three comprehensive classes necessarily consists of many dissimilar parts. The reward of mere personal exertion, in whatever shape, or manner, or time, it may be received, constitutes the *Wages of Labor*.

But in the present Course of Lectures, we shall confine our attention exclusively to those classes of which the subsistence is essentially dependent on the wages of *manual* labor. Our subject thus limited, will lead us to investigate the state of the bulk of the laboring population of the different nations of the earth. The economical, moral, and political position of the laborers; their capacity to be elements in free institutions; the influence of their position and habits

* The Lectures will commence on Wednesday, the 17th day of April, at two o'clock, and will be continued on every succeeding Wednesday and Thursday, at the same hour, till this Syllabus has been gone through.

on the comparative manufacturing, commercial, and military character ; on the productive powers ; and on the financial resources of nations.

Wages depend partly on the amount of the Labor Fund : that is, on *the aggregate amount of the revenues consumed by the laborers*, whatever be the source of those revenues. Partly on the number of persons who have to divide that fund. This will enable us to divide our subject, and this Syllabus into three parts.

The First Part will treat of the component parts of the Labor Fund, and of the causes which determine the amount and fluctuations of those parts.

The Second Part, of the causes which determine the numbers of the labouring classes.

The Third Part will apply the knowledge supplied by the two former Parts, to explain the past history, the actual condition, and future prospects of certain selected classes of laborers, including those found in England and Ireland.

FIRST PART.

Component Parts of Labor Fund.

UNSTEADINESS and inaccuracy of common language, and views as to this Fund.

Necessity of not confounding the word *Capital*, when used (as it often is) to denote the *whole* of this Fund, with *Capital* in its narrower and more appropriate sense of "That portion of the stock of a country which is employed with a view to profit."

Analysis of Labor Fund.—That Fund may be divided, for the purposes of further examination, into three comprehensive classes.

1st.—Revenues which are produced by the laborers who consume them, and never belong to any other persons.

2nd.—Revenues belonging to classes distinct from the laborers, and expended by those classes in the direct maintenance of labor.

3rd.—Capital in its limited and proper sense of "Stock or accumulated wealth employed with a view to profit."

These distinct branches of the Labor Fund may all be observed in our own country; but when we look abroad, we see those parts of that Fund, which are the most limited here, constituting elsewhere the main sources of subsistence to the population of extensive and important regions of the globe, and determining

the character and position of the majority of the people in both neighbouring and distant nations, and in other parts of our own empire, including Ireland.

FIRST DIVISION OF LABOR FUND.

Revenues which are produced by the labourers who consume them, and never belong to any other persons.

Such revenues constitute the wages of laboring cultivators, or occupying peasants; other laborers, so subsisted, are so few that they may be neglected at present.

Laboring cultivators, or peasants, may be divided into three groups,—hereditary occupiers, proprietors, tenants.

The group of tenants may be subdivided into serfs, metayers, cottiers; the last, as an important and predominant body, nearly peculiar to Ireland.

Something which may be called rent, or something which may be called profit, is often mixed up with the revenues of peasant cultivators of all classes; but when “their subsistence is essentially dependent on the reward of their manual labour,” they come within the limits of our present inquiry.

The groups of such peasants, which we are about to advert to, form, by far, the largest and most important portion of the laborers, in the countries in which they respectively prevail.

First class of laboring peasants—Hereditary occupiers, who are laboring cultivators, in ancient Greece, modern Asia, more especially India. Wide and extensive prevalence of this class of laborers. Improprity of classing them with either tenants or proprietors. Dif-

culty and danger of attempting to express, by legal terms familiar to us, relations springing out of a state of things foreign to the thoughts of those by whom our language has been used.

Effects of the prevalence of this class of laborers. On the productiveness of the soil, and on the numbers of other classes. Their fitness for being elements of political systems. Their influence on the economical structure of the nations in which they prevail ; on manufacturing industry ; commercial and military habits ; on the national rate of progress in civilization.

The future history of India ; the safety of our empire ; the extent of our commerce ; the introduction and spread of European habits and knowledge ; how far dependent on the condition and progress of this class of laborers.

Causes which determine the amount of that branch of the Labor Fund on which they subsist.

Causes economical, political, physical, of the limited and stationary amount of that fund, in most of the countries in which it is the predominant branch of the Labor Fund.

Second class of laboring peasants—Proprietors :— laboring peasants who are proprietors are not only laborers, but often the most distressed class of laborers.

Causes which determine the amount of that part of the General Labor Fund on which they subsist.

Countries in which they constitute an important part of the population : France, Germany, America, Australia : peculiar state of ancient Palestine.

The character of laboring proprietors, as elements of political institutions : state of France in this respect.

Their peculiarities as instruments of production, as contributing to the commercial or manufacturing progress of a country.

Third class of laboring peasants:—Tenants—serfs, metayers, cottiers.

These classes include a large proportion of mankind, and influence powerfully the economical structure of most of the nations of Europe—of Ireland among others.

Their influence upon finance, legislative assemblies; the aristocracy, the monarchies, of eastern and western Europe: on the administration of justice.

SECOND DIVISION OF THE LABOR FUND.

Revenues which belong to classes distinct from the laborers, and are expended in the direct maintenance of labor.

The laborers so maintained are now limited in England to menial servants, soldiers and sailors, and a few artisans working on their own account, and paid out of the incomes of their employers.

Over a considerable portion of the earth this branch of the General Labour Fund maintains nearly the whole of the non-agricultural laborers.

The classes so maintained form important economical and political elements in the nations in which they are numerous.

Former prevalence of this Fund in England. Warwick the king-maker. The English gentry.

Present prevalence in the East. Mechanics, menials. Large bodies of troops so maintained.

Consequences of the concentration of this Fund

throughout Asia in the hands of the sovereign. Sudden rise of cities; sudden desertion. Samarcand; Candahar, and others. Travelling retinue of Aurangzebe.

Some of the consequences to the non-agricultural classes in India of the transfer of this Fund into the hands of the English.

Political consequences of the dependence of a large part of the people on this branch of the Labor Fund; in aristocracies; in monarchies.

Effects on productive powers; on manufacturing skill; on the moral and military character of nations, with whom this fund is an important source of the subsistence of the people.

Causes which determine the amount and occasion the variations of this branch of the Labor Fund. It is (as we shall see) only apparently, not really, withdrawn, when the artizans receive their wages through capitalists.

THIRD DIVISION OF THE LABOR FUND.

Capital, or "accumulated wealth, employed with a view to profit."

In what cases capital is an addition to the Labor Funds of a country; that is, an addition to the aggregate revenues consumed by the laborers.

In what cases the accumulation of capital (even when the laborers are paid by capitalists) adds nothing to the amount of the revenues they would consume, did no such capital exist.

Repetition of the warning, that in speaking of *Capital* we mean only that portion of a nation's wea-

which has been accumulated, or saved from revenue; with a view to its being employed to produce profit.

This essential division of national wealth performs important functions in the production of wealth; and is the agent of important changes in its distribution through all the stages of the social progress. It is quite essential to clearness of view, that it should never be confounded with the General Labor Fund of the world—of which a large proportion consists, as we have seen, of revenues.

Sources of Capital.—All branches of a nation's revenues—wages, rents, profits, and derivative incomes—contribute to the accumulations by which capital is formed.

They contribute in different proportions in different countries and different stages of society.

When wages and rents contribute the most. Examples.

When the accumulations from profits become the most prominent. Examples.

Wages, rents, and derivative incomes, never cease to be important sources of additions to capital: they are so in England now.

On profits as one distinct source of saving.

All other things being equal, the power of a nation to save from its profits varies with the rate of profits: is great when they are high, less when low; but as the rate of profits decline, all other things do not remain equal.

The quantities of capital employed relatively to the numbers of the population may increase. Inducements and facilities to accumulate may increase.

Exposition of varying inducements to accumulation in different times and nations.

Exposition of varying facilities to accumulation.

The practical consequence of all these changes taken together is, that a low rate of profits is ordinarily accompanied by a rapid rate of accumulation, relatively to the numbers of the people, as in England; and a high rate of profit by a slower rate of accumulation, relatively to the numbers of the people, as in Poland, Russia, India, &c.

There are exceptions to this rule: these stated and explained.

Error of the doctrine, that whenever, in the progress of nations, the *rate* of profit declines, the means of providing subsistence for an increasing population must be becoming less.

Foundations of this error:—

1st. A mistaken notion, that accumulation from profits must be slow where the *rate* of profits is low, and rapid where it is high.

2d. A mistaken belief, that profits are the only source of accumulation.

3d. A mistaken belief that all the laborers of the earth subsist on accumulations and savings from revenue, and never on revenue itself.

Manner in which these fallacies have obtained credence, and become the source of much painful and gloomy delusion.

Unfortunate consequences of these delusions;—philosophical, moral.

Alterations which take place in the economical struc-

ture of nations when capital assumes the task of advancing the wages of labor.

England is the only country in which we can observe, on a large scale, the effect produced on a nation by its having the greatest portion of its laborers dependent on capitalists for employment.

Effects of this change on the productive power of nations; on the multiplication of intermediate classes; on the elements of political institutions.

Effects, good and bad, on the intellectual and moral character of the laborer himself. Increased advantages; increased perils; increased responsibilities.

Circumstances which practically determine the rate of wages, when they are paid out of the funds of capitalists.

The amount of capital devoted to the maintenance of labor may vary, independently of any changes in the whole amount of capital.

Explanation of the fact that great fluctuations in the amount of employment, and great consequent suffering, may sometimes be observed to become more frequent as capital itself becomes more plentiful.

Periods of gradual transition of the laborers from dependence on one fund to dependence on another.

These periods always important; sometimes perilous and disturbed.

Transfer of the *laboring cultivators* to the pay of capitalists.

The effects of this process, while it was in progress

in England; in Scotland; as it is in actual progress in Ireland. It has always, where we can observe it, produced much suffering, spread over considerable periods, and productive of much political u quietness and danger.

Possible palliatives considered.

Transfer of *non-agricultural* classes to the employ of capitalists, a less painful operation, more directly and uniformly beneficial.

Influence of the mode and amount of the expenditure of the landlords in facilitating this last transfer.

Absenteeism viewed with reference to the progress of this change.

Effects produced in India by the transfer of the revenues, which formed the fund on which the non-agriculturists subsisted, from the native princes to the British government.

Recapitulation of the survey of the Labor Fund of the world in all its branches. Importance of the comparative prevalence of these branches, in determining the actual position of the bulk of the population in different nations. Importance of the successive influence of the different branches of that Fund in explaining the changes which have taken place, or are taking place, in the economical structure of nations, their political institutions, the moral and intellectual character of the bulk of their population, their relative powers of production, financial resources, and military habits and strength.

SECOND PART.

ON the causes which determine the numbers of the laboring classes.

Principle of Population.—Physical power of men, as animals, to multiply their species with rapidity.

Circumstances which, in practice, regulate the exertion or the effects of that power.

Checks to population are resolved into moral restraint, vice, and misery, by the distinguished founder of all scientific knowledge in this branch of natural philosophy and political economy.

This division is unobjectionable, if we confine our views and assertions to the checks which are in action at any given instant of time.

But when we are observing or reasoning about longer periods, it excludes a very large body of cases of abstinence, which cannot be wholly classed with vice, and which do not come within "moral restraint," as Mr. Malthus has strictly limited that phrase.

Proposal to consider the checks to population, as resolved into *voluntary restraint*, vice, and misery—when we speak of periods of time, and not of the present moment alone.

Voluntary restraint to include all those cases of abstinence from marriage, which cannot be classed with vice, nor with moral restraint, when by *moral* is meant impeccably pure during the whole duration

of such abstinence, according to the limitation imposed on the word *moral* by Mr. Malthus.

Conveniences of this proposed division ; gloomy class of errors, as to the wide dominion of vice and misery, which it enables us more easily to avoid.

Circumstances which promote voluntary restraint.

Multiplication of artificial or secondary wants : explanation of those terms.

Natural impulse is stationary—a fixed weight in a balance.

Artificial or secondary wants increase and multiply, and extend more widely, and to different classes, as the productive powers of nations expand, and civilization and refinement gain ground. What is here meant by civilization and refinement.

By the multiplication of those artificial or secondary wants, there is an increasing antagonist weight in the other scale, which balances natural impulse, more and more effectually, during the wholesome progress of nations.

Proof of this from the different habits of different classes in the same community.

That proof applied to explain the different habits of communities placed at different points of the social progress,—England, Ireland, France, China.

Circumstances—economical, political, moral—which are favorable or unfavorable to the multiplication of artificial wants, and, through them, of voluntary restraint.

Circumstances — economical, political, moral — which, independently of the progress of artificial wants, are favorable or unfavorable to the prevalence of voluntary restraint.

Application of general principles, on the subject of population, to the special case of variations in the numbers of laboring classes, considered apart from the other classes of a people.

The predominant and active influence, on the rate of multiplication of the laboring classes, exercised by variations in the rate of wages, from whatever branch of the Labor Fund those wages are paid.

In every case, in which the people are not living on the minimum of subsistence, the same variation in the rate of wages may, according to circumstances, act on the rate of increase in one of two different and opposite directions.

That is, 1st, an increase of wages may either multiply artificial wants and refined consumption, leaving the rate of increase stationary, or, in some instances, retarding it ;—

Or it may be expended in primary necessities, and accelerate the rate of increase.

2ndly, A decrease in the rate of wages may diminish the consumption of articles subservient to artificial or secondary wants, leaving the rate of increase stationary or accelerated ;—

Or it may diminish the consumption of primary necessities, and retard the rate of increase.

Importance of keeping steadily in view these opposite influences of the same change of wages taking place under different circumstances.

Our writers, even the most eminent among them, although they have occasionally seen those truths fully and distinctly, have at other times taken it for granted, that increasing wages would invariably be

followed by a more rapid multiplication, decreasing by a slower.

Some ambiguity in the phrase, *command over the means of subsistence*, has helped to generate this unsteadiness of view.

When the phrase is used in one sense, an *increasing command of the means of subsistence* is almost inevitably followed by an accelerated rate of increase. When used in another and more usual sense, an *increased command over the means* of subsistence is not only consistent with, but is the very circumstance through which a retardation takes place in the rate of increase. This is seen most plainly by referring to different ranks in the same community.

It being carefully remembered, then, that every variation in wages may produce one of two opposite effects in the habits of the people, the importance becomes evident of ascertaining what those circumstances are that, when an alteration in wages takes place, determine which specific effect it shall produce.

Those circumstances may be divided into physical—economical—political—moral—importance of keeping these distinct.

Enumeration and explanation of the circumstances—physical, economical, political, moral—which determine whether any increase of wages shall end in multiplied artificial wants, and a stationary or retarded rate of increase—or in the consumption of more necessities, and an accelerated rate of increase.

Similar detail and explanation of the circumstances which determine the precise effects, on the rate of increase of the population, of any *decrease* in the rate of wages.

Of the causes enumerated, the moral and political are the most elevated and dignified, and have hitherto attracted most attention. Yet the physical and economical precede them in order of time, and establish conditions on which the greater or less influence of moral and political causes essentially depends.

When the general productive powers of a community expand with its increase, and laws and morals are in a healthy state, then the influences which retard the rate of multiplication keep gaining strength as we approach nearer the limit, beyond which the production of food, and other primary necessities, becomes more difficult.

After making due allowance for the limited action of *purely moral* restraint, still the general moral effect of the prevalence of retarding influences is, on the whole, favorable and salutary, and adds much energy and elevation to the character of communities.

Which good effects are, however, intense and extensive, in proportion as the *voluntary restraint* which prevails is, or is not, on the whole *moral*.

ON STATES OF SLAVERY.

So far we have considered as freemen, all the laboring classes, the sources of whose revenue, or whose habits, and rate of multiplication, we have been speaking of.

But there are portions of the laboring classes which subsist on the various funds we have been analyzing, in a state of bondage.

By this state the ordinary effects of their position

as laborers, on the productive powers, and on the structure of nations, are much modified.

Extensive prevalence of this modifying cause.

Slaves became so through captivity in war—through the conquest and subjugation of their country—by birth—by the fraud and violence of individuals.—

Examples of each case.

Slaves may be divided into pastoral—predial—domestic—slaves of a mixed character, between predial and domestic.

Their bondage may be complete or imperfect.—
Examples.

Pastoral slaves considered alone.

Other slaves subsist on the same funds as supply the revenues of free laborers.

We find them as cultivating peasants ;—as menials or artizans, maintained from the incomes of the rich ;—as laborers maintained from capital.

Peculiar effects produced by the prevalence of slavery, in these various forms, on the productive powers of nations, on the activity and intellect of the laborers, on their moral and intellectual characteristics.

Evils attendant on slavery in all its forms—aggravation of those evils in particular classes of cases.

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